REMARKS

Claims 1-78 were previously pending in this application. Claims 1-3, 19-21, 36-39, 54-58, 65-69 and 74-78 are independent claims. Applicants respectfully request reconsideration in view of the following remarks.

Claim Rejections —35 U.S.C. § 101

The Office Action indicates that claims 1-18, 22-35, 39-53, 57-58. 65, 69, 74 and 78 have been rejected under 35 U.S.C. § 101, as allegedly being directed to non-statutory subject matter. The Examiner alleges that basis of the rejection is set forth in a two-prong test of: (1) whether the invention is within the technology arts; and (2) whether the invention produces a useful, concrete, and tangible result. (See, Office Action page 2¶4). Applicants respectfully disagree and submit the pending claims are directed to statutory subject matter. More specifically, Applicants submit that the § 101 rejections raised by the Examiner are rendered moot in view of Ex Parte Lundgren ("Lundgren"), Appeal No. 2003-2088 issued by the Board of Patent Appeals and Interferences ("BPAI").

Applicants submit that the 'technological arts' test is no longer used to determine whether claims are directed to statutory subject matter. In Lundgren, the BPAI reversed a 35 U.S.C. § 101 rejection based on an examiner's application of a separate "technological arts" test from In re Musgrave (See, Lundgren, page 7). In Lundgren, the BPAI establishes that "there is currently no judicially recognized separate 'technological arts' test to determine patent eligible subject matter under § 101." (See, Lundgren, page 9). Therefore, Applicants submit that the 'technological arts' test should not be applied to the pending claims and request withdrawal of this ground of rejections.

Claim Rejections —35 U.S.C. § 103

The Office Action indicates that claims 1, 5-21, 22-35, 40-53, 58, 65-69, 70-77 have been rejected under 35 U.S.C. § 103(a) as being unpatentable over Joao (U.S. Pat. No. 6,347,302) ("Joao"), in view of Bell, et al. (U.S. Pat. No. 6,574,606) ("Bell"), in further view of Joseph (2001/0034690) ("Joseph"). Claims 2, 38-39 and 56 have been rejected under 35 U.S.C. § 103(a) as allegedly being unpatentable over Joao and Bell, in view of Ryan (US Pat. No. 6,304,859) ("Ryan"). Claims 3, 36-37, 54-55 and 57 have been rejected under 35 U.S.C. § 103(a) as allegedly being unpatentable over Joao, in view of Ryan. Claim 78 has been rejected under 35 U.S.C. § 103(a), as being unpatentable over Joao, in view of Joseph. Applicants request reconsideration in view of the following remarks.

I. Claims 1, 5-21, 22-35, 40-53, 58, 65-69 and 70-78 are patentable

Independent claim 1 recites, *inter alia*:

> A method for encouraging the purchase or re-leasing of an item after an expiration of a lease, comprising:
> identifying a lease on an item that corresponds to an electronically stored record, the lease having an approaching expiration date;
> identifying a customer corresponding to the lease; and
> offering the customer a paid insurance policy in exchange for purchasing or re-leasing the item after the expiration date.

Applicants submit that the cited references, taken alone or in combination, do not teach, disclose or suggest the elements recited in pending claim 1. More specifically, Applicants submit that the cited references do not teach or suggest at least offering the customer a paid insurance policy in exchange for purchasing or re-leasing the item after the expiration date, as recited in independent claim 1.

The Examiner acknowledges that, "Joao and Bell do not explicitly disclose

offering the customer a paid insurance policy in exchange for purchasing or re-leasing the item after the expiration date." (See, Office Action, page 5, ¶ 6). Therefore, the Examiner asserts, "Joseph suggests offering the customer a paid insurance policy in exchange for purchasing or re-leasing the item after the expiration date...[as allegedly disclosed in] Joseph, Page 5, P 0045-0047)." (See, Office Action, page 6, 1). Applicants disagree and submit that the Joseph does not teach, disclose, or suggest offering the customer a paid insurance policy in exchange for purchasing or re-leasing the item after expiration of the lease.

In contrast to independent claim 1, Joseph discusses a method for facilitating the transfer of an existing vehicle lease between parties (See, Joseph, Abstract). Joseph does not disclose, teach or suggest offering the customer a paid insurance policy in exchange for purchasing or re-leasing the item after expiration. Instead, Joseph's system is directed to allowing a current lessee to transfer the lease to another lessee before the lease expires (See, Joseph, ¶ [0003]). Joseph's system simply facilitates a searchable database of leases available for transfer prior to lease expiration (See, Joseph, ¶ [0007]).

Joseph system facilitates a listing user to obtain liability insurance in ¶ [0043] - [0047] if the existing lease indicates the original lessee (Joseph's listing user) is still liable for the vehicle despite transferring the lease to the subsequent lessee (Joseph's searching user). The liability insurance link 210 simply provides the original lessee with an option to request an application for insurance (See, Joseph, ¶ [0043]). Joseph indicates, "The electronic [request] message 250 may initiate an automated preparation of an insurance application which can be electronically forwarded to the insurance provider for approval." (See, Joseph, ¶ [0045]). Instead of offering the customer a paid insurance policy in exchange for purchasing or re-leasing the item after expiration as recited in independent claim 1, Joseph discusses providing the listing user ("a

seller") with the option to submit an application for insurance.

Joseph's insurance application is: (a) not a paid insurance policy; (b) not offered to a customer; (c) not offered in exchange for purchasing or re-leasing the item, and (d) not offered to the lessee to purchase or re-lease the item after expiration of the lease. Accordingly, Applicants submit that independent claim 1 is not rendered obvious in light of Joao, Bell, or Joseph, taken alone or in combination, and that the cited references do not teach, disclose or suggest the claimed invention. Applicants submit that independent claim 78 is not rendered obvious in light of Joao or Joseph, taken alone or in combination, and that the cited references do not teach, disclose or suggest the claimed invention.

II. Claims 2, 38-39 and 56 and Claims 3-4, 36-37, 54-55 and 57 are patentable

A. Independent claim 2 recites, *inter alia:*

> A method for encouraging the purchase or re-leasing of an item after an expiration of a lease, comprising...
>
> calculating a difference between an actual residual value and a projected residual value of the item; and
>
> determining a term for an insurance policy, the insurance policy having an insurance premium at most equal to the difference; and
>
> if the customer purchases or re-leases the item at the expiration of the lease, paying the insurance premium on behalf of the customer for the term of the insurance policy.

Applicants submit that the elements recited in independent claim 2 are not taught, disclosed or suggested by Joao, Bell or Ryan, taken alone or in combination.

The Examiner acknowledges that "Joao and Bell do not explicitly disclose calculating a difference between an actual residual value and a projected residual value of the item; and if the customer re-leases the item at the expiration of the lease, paying the insurance premium on behalf of the customer for the term of the insurance policy." (See, Office Action,

page 14, ¶ 2). The Examiner asserts, "these features are known in the art as evidenced by Ryan." (See, Office Action, page 14, ¶ 3). The Examiner relies on Ryan, Col. 6, lines 5-67 as allegedly remedying the deficiencies of Joao and Bell. More specifically, the Examiner states, "It would have been obvious...to have included the features of Ryan with the motivation of providing a system performing three processes which ideally occur simultaneously, 1.) optimal premium determination, 2.) current cash value monitoring, and 3) periodic reporting." Applicants submit that even assuming Ryan discusses optimizing a premium, monitoring a current cash value and periodic reporting, the pending claims are still patentably distinct from Ryan, taken alone or in combination with Joao and/or Bell.

Applicants submit that Ryan does not remedy the deficiencies identified in Joao and Bell. Ryan is directed to facilitating financial interactions for optimizing a life insurance premium. More specifically, Ryan's system links an insurance carrier with an independent lending institution to determine the optimal premium structure for a contemplated variable life insurance product using a portion of the policy owner's money and a lending institution loan to finance the premium (See, Ryan, Abstract). Ryan, in Col. 6, lines 5-15, defines a set of rules for optimizing the life insurance premium. Applicants submit that the Ryan's rules do not teach or suggest, "calculating a difference between an actual residual value and a projected residual value of the item..." as asserted by the Examiner and recited in independent claim 2. Instead, Ryan's system determines:

> whether the projected before-tax cash value for the expected year of retirement is sufficient to meet the desired retirement cash total after the payment of taxes and the repayment of the loan, in addition to determining if the calculated face amounts are equal to or greater than the targeted face amounts during employment." (See, Ryan, Col. 6, lines 11-17) (emphasis added).

Accordingly, Applicants submit that Ryan's premium optimization does not teach, disclose or

suggest calculating a difference between an actual residual value and a projected residual value of the item, as recited in independent claim 2.

Furthermore, Applicants submit that none of Ryan's optimization calculations; monitoring an actual cash value; or reporting procedures teach, disclose or suggest, "if the customer purchases or re-leases the item at the expiration of the lease, paying the insurance premium on behalf of the customer for the term of the insurance policy." Accordingly, Applicants submit that the elements in independent claim 2 are not obvious in light of Ryan, Joao, or Bell, taken alone or in combination.

B. Similarly, Applicants submit that neither Joao, nor Ryan teach, disclose or suggest the elements recited in independent claim 3. Independent claim 3 recites, *inter alia*

> A method for receiving an insurance policy for an item, comprising:
> leasing an item for a predetermined period of time;
> creating an electronic record associated with the item;
> storing the electronic record;
> purchasing the item at the expiration of the predetermined period of time; and
> receiving an insurance policy for the item, wherein at least a portion of the premium corresponding to the insurance policy is paid by a third party, in exchange for the purchase of the item.

Applicants submit that the cited references do not teach, disclose, or suggest at least receiving an insurance policy for the item, wherein at least a portion of the premium corresponding to the insurance policy is paid by a third party, in exchange for the purchase of the item.

The Examiner acknowledges, "Joao does not explicitly disclose receiving an insurance policy for the item wherein at least a portion of the premium corresponding to the insurance policy is paid by a third party in exchange for the purchase of the item." (See, Office Action, page 17,¶ 2). Therefore, the Examiner asserts Ryan remedies the identified deficiency in Ryan, Col. 4, lines 22-67. However, Applicants submit that Ryan does not teach, disclose or suggest a third party paying at least part of the premium in exchange for the purchase of the item,

as recited in independent claim 3.

In Col. 4, lines 22-67, Ryan does not teach, disclose or suggest a third party paying even a portion of the premium, in exchange for the purchase of the item. Instead, Ryan simply discusses a set of calculations for "determining an optimum life insurance premium necessary to achieve financial security at retirement..." (See, Ryan, Col. 4, lines 25-31). Applicants submit that the claimed third party payment of at least part of the calculated premium is not obvious in light of Ryan's distinct optimal premium calculations; current cash value monitoring; and/or periodic reporting. Accordingly, Applicants submit that the elements in independent claim 3 are not obvious in light of Ryan, or Joao, taken alone or in combination.

Conclusion

For at least these reasons, Applicants submit that independent claims 1, 2 and 3 are patentably distinct from the cited references, taken alone or in combination, for at least these reasons. Applicants submit that claims 5-21, 22-35, 40-53, 58, 65-69 and 70-78; claims 38-39 and 56; and claims 4, 36-37, 54-55 and 57 are also patentably distinct from the cited references, taken alone or in combination, for at least similar reasons. Therefore, Applicants request withdrawal of these grounds of rejections.

Moreover, Applicants respectfully request the opportunity to conduct an Examiner Interview to further discuss aspects of the claims and the patentablity over the prior art of record. As such, Applicants will be contacting the Examiner shortly to schedule the Examiner Interview.

Docket No.: 17246-003

AUTHORIZATION

The Commissioner is hereby authorized to charge any additional fees which may be required for consideration of this Amendment to Deposit Account No. 03-1240, Order No. 17246-003. In the event that an additional extension of time is required, or which may be required in addition to that requested in a petition for an extension of time, the Commissioner is requested to grant a petition for that extension of time which is required to make this response timely and is hereby authorized to charge any fee for such an extension of time or credit any overpayment for an extension of time to Deposit Account No. 03-1240, Order No. 17246-003.

Respectfully Submitted,
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